BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
ETC Annual Reports and Certifications	)	WC Docket No. 14-58
	)	
Establishing Just and Reasonable Rate for Local Exchange Carriers	)	WC Docket No. 07-135
	)	
Developing a Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92

COMMENTS OF USTELECOM

Pursuant to the Public Notice in the above-referenced dockets (Public Notice),[1] USTelecom – The Broadband Association[2] hereby responds to the Commission's request for comment on approaches to identify and resolve apparent discrepancies between the number of model-determined funded locations that A-CAM I and II support recipients are expected to serve (funded locations) and the actual number of locations that support recipients can serve (actual locations).[3] As acknowledged in the Public Notice, the Commission stated in the *2016 Rate-of-Return Reform Order*[4] that "[c]arriers that discover there is a widely divergent number of

[1] *See* "Wireline Competition Bureau Issues Corrected Alternative Connect America Fund Model II Offers to 37 Companies, Extends The election Deadline, and Seeks Comment on Location Adjustment Procedures," WC Docket No. 10-90, Public Notice, DA 19-504 (Jun. 5, 2019) (*Public Notice*).

[2] USTelecom is the nation's leading trade association representing service providers and suppliers for the broadband innovation industry. Its diverse member base ranges from large publicly traded communications corporations to small companies and cooperatives – all providing advanced communications and broadband services to hundreds of millions of customers around the world.

[3] *See Public Notice* at 2.

[4] *See Connect America Fund, ETC Annual Reports and Certifications, Developing a Unified Intercarrier Compensation Regime*, WC Docket No. 10-90, et al., Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087 at 3097 (*2016 Rate-of-Return Reform Order*).

locations in their funded census blocks as compared to the model should have the opportunity to seek an adjustment to modify the deployment obligations," and delegated authority to the Wireline Competition Bureau (Bureau) to address potential discrepancies.[5] USTelecom appreciates the Bureau's recognition of this important issue. The material difference in the number of actual locations versus funded locations creates significant challenges for A-CAM support recipients. The issue is indicative of the broader issue before the Commission for all of its location-based high-cost universal service programs. Broadband deployment programs based on existing Form 477 data and out of date cost models will inevitably result in deployment obligations that simply do not match the facts on the ground. It is for this reason that USTelecom is laser-focused on providing solutions to enable the Commission to develop a granular national dataset of all broadband serviceable locations and broadband availability reporting based on such information.[6] In so doing, the Commission will ensure that going forward carriers will have the information they need to efficiently bid for universal service support with the confidence that the locations for which they are bidding actually exist. The same data will also be a critical tool for the Commission to verify the claims of A-CAM carriers who indicate discrepancies between funded and actual locations.

The main objective of the Universal Service Fund (USF), including the A-CAM program, is to close the digital divide. In order to efficiently target support where it is needed most and to ensure that USF auction mechanisms are effectively operated it is essential to get broadband serviceable location counts right. To that end, the Commission is planning to consider a an item at its August Open Meeting that clearly articulates the importance of obtaining accurate deployment data in order improve the agency's ability to effectively target USF and meet the

[5] *Id.*
[6] *See* Letter of B. Lynn Follansbee, VP–Law & Policy, USTelecom to Marlene H. Dortch, Secretary, FCC, WC Docket No. 11-10, (Oct. 17, 2018) (*USTelecom Oct. 17 Ex Parte)*.

Commission's broadband deployment objectives.[7] Unfortunately, as the Public Notice recognizes, the underlying location-based information upon which providers are relying to measure deployment is often inaccurate, making it nearly impossible to accurately target funds and for providers to know where to focus their builds.

The A-CAM model attempted to determine the number of locations that needed access to broadband and how much it would cost to build to those areas based on the best available information at the time. Fortunately, with the recent advent of newly digitized data and machine learning there are ways to create a single harmonized dataset of locations that need broadband service throughout the nation that can significantly improve the A-CAM model as well as provide an accurate foundation for creating future support mechanisms.

USTelecom members' recent experience with Connect America Fund (CAF) programs revealed that the type of granular GIS data needed to support policy makers and broadband providers in rural areas is not readily available and is highly inconsistent. USTelecom, in cooperation with ITTA and WISPA (the Broadband Mapping Consortium or Consortium)[8], and with the help of its vendor CostQuest, has developed a proposal and launched a pilot program (Pilot)[9] to create a Broadband Serviceable Location Fabric (BSLF) that will produce a highly granular national dataset of all broadband serviceable locations. The BSLF will serve as the uniform foundation for dramatically more accurate FCC Form 477 reporting and can also be used to update the A-CAM as well as other models that will be used to inform future funding

[7] *See Establishing the Digital Opportunity Data Collection and Modernizing the FCC Form 477 Data Program*, Report and Order and Second Further Notice of Proposed Rulemaking WC Docket Nos. 19-195, 11-10, FCC CIRC 1908-02.

[8] The Consortium is made up of member companies from USTelecom, WISPA, ITTA and others in support of a proposal not just to improve the current method of FCC Form 477 data collection process but to improve its reliability for use with respect to broadband location reporting obligations

[9] *See* Letter from B. Lynn Follansbee, VP – Law & Policy, USTelecom to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 11-10, 10-90 (Mar. 21, 2019)

programs.[10] This proposal is designed to be a long-term solution to improve access to accurate location data in a manner that will meet the needs of policymakers, American citizens, businesses and broadband service providers.

The BSLF proposal goes beyond using an address to generate, typically through a commercial geocoder, an individual latitude and longitude for the building to where broadband is/would be deployed. Addresses are important, but an address does not provide the actual geographic location of where service is deployed or is needed. It is the difference between locating the broadband serviceable point at a service address in the middle of a field or actually where the home or business structure is on the property; a very important difference if one is laying fiber cable or relying on a wireless signal. The proposal creates a consistent national dataset containing the location of where all serviceable locations (*e.g.*, the house, the small business) are located using a single methodology, thus providing a harmonized reference point to assist in broadband data reporting. Unlike the well documented challenges that have been raised with inaccurate location counts in the Connect America Model (CAM) and more recently for the A-CAM, the granularity and accuracy of this data, combined with new reporting requirements on top of the BSLF, will provide a highly accurate picture of the location of all served and unserved locations. Providers participating in future universal service broadband funding programs will no longer find themselves in the untenable position of bidding to serve locations that may not exist as has been the experience for many A-CAM providers.

In recent filings in this docket, and others, detailing early findings of the Broadband Mapping Consortium's Pilot, the data shows why commercial geocoders often are correct to the parcel centroid but not to the actual location of a structure, while still other commercial

[10] *See USTelecom October 17 Ex Parte.*

geocoders identify points on roads instead of parcel centroids.[11] These differences are of particular importance to providers attempting to serve rural areas. The early results of the Pilot demonstrate that in rural areas where the parcels are often quite large, there could be hundreds of feet (if not miles) between where a geocoder places the location and where the actual physical structure exists. Reliance on commercial geocoding in rural areas also risks missing or undercounting locations. The inset on Slide 14 in the *May 2019 Ex Parte* filing shows a location that is entirely missed by a commercial geocoder and is far from any established catalogued road. Locations like this include American consumers that may not be receiving broadband service simply because the building does not yet appear in commercially available data sets. This is the sort of error that we believe contributed to the inaccurate A-CAM location counts we see today. The Consortium noted in this same *May 2019 Ex Parte* filing that this sort of inaccuracy will be of paramount importance to providers attempting to bid on service to rural locations in future high-cost program auctions.[12] It is clear from his data that these inaccuracies are also of paramount importance to improving current funding mechanisms.

These variances between where multiple geocoders place a location versus where the actual location exists demonstrates the difficulties that some Consortium members have had with reporting their location into USAC's HUBB database. Consortium members have repeatedly expressed concerns about the standard for HUBB reporting that requires accuracy within 4 inches which is virtually impossible to meet given the poor and varying quality of commercial geocoders.[13] Furthermore, geocoding locations for purposes of HUBB reporting is a daunting prospect for smaller providers that do not readily have the resources to purchase geocoding

[11] *See* Letter of B. Lynn Follansbee, VP–Law & Policy, USTelecom to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 11-10, 10-90 (May. 28, 2019) (*May 2019 Ex Parte*).
[12] *See Id.*
[13] *See* Letter of Mike Saperstein, VP Law & Policy, USTelecom to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 (Mar. 28, 2019).

software or other datasets for such purposes. The BSLF approach thus could benefit not only A-CAM data, but also HUBB reporting on that A-CAM funded buildout, by standardizing reporting for all reporting requirements and eliminating unnecessary but substantial costs for smaller providers.

USTelecom has also added to the record in this proceeding additional information about the accuracy of census block data that have been gleaned from the preliminary results of Consortium's Pilot.[14] The Consortium compared the BSLF primary structure counts in price cap carrier CAF census blocks in Missouri that contained only residential locations with the housing unit counts in 2011 census bureau data for the same census blocks. It is important to note that the 2011 census bureau data *is the same housing unit information* incorporated into the CAM that ultimately became the design for the A-CAM. In the *July 2019 Ex Parte,* we discussed how within the context of the pilot we converted the census housing unit counts to estimated structure counts to provide a normalized comparison of the two datasets that we presented in that filing to better illustrate the difference between the BSLF and the housing structures information behind the CAF programs.

The analysis found that structure counts per census block in this subset of the BSLF[15] versus 2011 census housing structure data were the same only 36 percent of the time.[16] Nearly 30 percent of the census blocks have BSLF location counts higher than census 2011 data, while just over 35 percent had fewer locations than the census data. Additionally, on an individual census block basis there are over 4,000 census blocks where the BLSF found 100 percent **more**

[14] See Letter of B. Lynn Follansbee, VP Policy & Advocacy, USTelecom to Marlene H. Dortch, Secretary, FCC, WC Dockets 10-90, 11-10, 19-126 (Jul. 1, 2019) (*July 2019 Ex Parte*).
[15] The total number of census blocks the data subset used in this analysis is approximately 120,000. At this stage of the analysis, each location in the BSLF is the structure associated with the primary serviceable structure without identification of multiple units which will likely increase CAF location counts somewhat.
[16] *See July 2019 Ex Parte*.

structures than the 2011 census data and more than 13,000 census blocks where the BSLF structure count was between 81and 100 percent **less** than the 2011 census count. The BSLF located between 2 and 100 more structures per census block in over 13,000 census blocks, but over 15,000 census blocks had between 2 and 100 fewer structures. In other words, the 2011 structure/location counts used for CAF are now likely incorrect as compared to the 2019 BSLF count in more than 60 percent of the census blocks in this subset.[17]

This preliminary data demonstrates the value of the BSLF process and validates concerns expressed by multiple companies over A-CAM location miscounts. Targeted USF programs with location-based commitments hold great promise for closing the digital divide, but the Commission cannot assign and enforce deployment commitments based on outdated estimates and expect carriers to assume all the risk when the counts are dated.

The Commission has heard from multiple parties[18] that all evidence points to the need to improve data so that there is real clarity about where providers provide service and that moving ahead with a plan to remove support based on insufficiently granular data without a challenge process or without an adequate transition is counterintuitive to the predictability the Commission has attempted to achieve in both is 2016 and 2018 Orders.[19] The Commission should therefore move forward to create a national dataset of broadband serviceable locations consistent with the Consortium's BSLF proposal as soon as possible.

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[17] *See Id.*

[18] *See* Comments of NTCA at 2-10, Comments of WTA at 15-16, Comments of ITTA at 4-5, Comments of Concerned Rural LECs at 6-9, Comments of FWA at 5, Comments of TCA at 2-4, Comments of Vantage Point Solutions at 2-15, WC Docket Nos. 10-90, 14-58, 07-135 and CC Docket No. 01-92 (Mar. 8, 2019) in response to the Further Notice portion of *Connect America Fund, ETC Annual Reports and Certifications, Developing a Unified Intercarrier Compensation Regime,* WC Docket No. 10-90, et al., Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking, 33 FCC Rcd 11893 (Dec. 12, 2018) (*2018 Rate-of-Return Budget Order and FNPRM).*

[19] *See Connect America Fund, ETC Annual Reports and Certifications, Developing a Unified Intercarrier Compensation Regime,* WC Docket No. 10-90, et al., Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087 at 3097 (*2016 Rate-of-Return Reform Order*); *2018 Rate-of-Return Budget Order and FNPRM* at 11917, para 78.

With the adoption of the *2018 Rate-of-Return Report Budget Order and FNPRM*, broadband providers have finally gained some additional ability to predict their level of support as well as assess the current demand on the fund. Given the importance the Commission has placed on a level of predictability, the Commission should not then penalize providers who may not be able to meet their build out requirements simply because the data in the A-CAM is inaccurate, a result that is no fault of their own. In this instance, until the Commission can get better data, the Commission should acknowledge that what is important here is that the providers who have elected A-CAM funding have built out their network throughout their service area. If a provider has committed to serve its entire service area and has built its network accordingly, serving all actual locations, and can certify that it is capable of serving anyone requesting service within a reasonable period, then buildout obligations should be deemed met. This will ensure that there are no gaps of service in the provider's service area meeting the Commission's goal of closing the digital divide, while also not penalizing providers for inaccurate data about the number of actual locations in that area. The bulk of the costs in building out a service area is non-variable costs, *i.e.* building the network, not the variable costs such as the number of drops to consumers. The practical reality for providers is that in making the decision to elect A-CAM funding, they carefully considered the cost to build the network in that area regardless of the number of locations served. Therefore, taking money back because there are either more or fewer locations in that service area makes no real practical sense and only serves to penalize the providers for meeting its obligations.

USTelecom is fully supportive of the Commission's efforts to encourage the rapid and efficient close of the digital divide. However, we also urge the Commission to act in a considered fashion and implement the BSLF as soon as possible so that in addition to providing

the most granular data possible to the Commission for future funding mechanisms, it can also update the A-CAM and make it as accurate as possible. Doing so is consistent with the Commission's policy goals, and is the most prudent path forward to ensure that there is continued certainty, stability, and predictable support.

Respectfully submitted,

USTELECOM

By: _____

B. Lynn Follansbee
VP- Policy & Advocacy
601 New Jersey Avenue, NW, Suite 600
Washington, D.C. 20001
202-326-7200

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